



PIONEER GROUP

PIONEER EMBROIDERIES LIMITED

...a stitch ahead of time

22nd ANNUAL REPORT 2014

hakoba

SINCE 1960

Dope Dyed Polyester Yarn Unit, Kala-amb, Himachal Pradesh





BOARD OF DIRECTORS AND OTHER INFORMATION

BOARD OF DIRECTORS

RAJ KUMAR SEKHANI (DIN:00102843)	Chairman
HARSH VARDHAN BASSI (DIN:00102941)	Managing Director
JOGINDER KUMAR BAWEJA (DIN:01660198)	Independent Director
GOPALKRISHNAN SIVARAMAN (DIN:00457873),	Independent Director

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BANKERS

UNION BANK OF INDIA
STATE BANK OF INDIA

COMPANY SECRETARY

BHARTI S GANDHI

COMPLIANCE OFFICER

UDAY NEMLEKAR

STATUTORY AUDITORS

M B A H & CO
Chartered Accountants

Works

Embroidery & Bobbin Lace Plants:

1) SARIGAM	: 1637,1639, G.I.D.C. Sarigam, Dist. Valsad, Gujarat - 396 155
2) NAROLI	: Primer Industrial Estate, Survey No.678/1/2, Village Naroli, Silvassa, (U.T.)-396 203
3) COIMBATORE	: Mettupalaym Road, Chinnamaddampalayam, Billichy Post, Coimbatore - 641 019
4) THANE	: Unit No.-1.Vimal House, Dhanji Udyog Nagar, Pankar Pada, Mira Road, Dist. Thane - 401 107
Process House	: 1638, G.I.D.C., Sarigam, Dist. Valsad, Gujarat -396 155
Dope Dyed Polyester Yarn Plant (DDPY)	: Village-Kheri, Trilokpur Road, Kala-Amb, Dist Sirmour, Himachal Pradesh -173 030

Offices

Registered Office	: Unit No, 101B, 1st Floor, Abishek Premises, Plot No. C5-6, Dalia Industrial Estate, Off. New Link Road, Andheri (West), Mumbai - 400 058
Corporate Office	: Unit No.21 to 25, 2nd Floor, Orient House, 3-A Udyog Nagar, Off S. V. Road, Goregaon (West), Mumbai - 400 062
Chennai Office	: 29 & 30, 3RD Floor, Kumbhat Complex, Rattan Bazar, Chennai - 600 003
Delhi Office	: 4986, 1st & 2nd Floor, Baratooti Chowk, Sadar Bazar, Delhi - 110 006
Delhi Office (DDPY)	: 807 & 808, ITL Twin Towers, Plot No. B-09, Netaji Subhash Place, Pitampura, New Delhi - 110 034
NCR Office	: Plot No. 583, Udyog Vihar, Phase 5, Gurgaon, Haryana - 122 061
Kolkata Office	: 14/2, Room No. 135, 2nd Floor, Old China Bazar Street, Kolkata - 700 001
Bengaluru Office	: 872, OTL Main Road, Nagrathpet, 1st Floor, Rajatha Hotel Building, Bengaluru -560 002
Surat Office	: Kiran Compound, Near AP Market, Udhna, Surat - 394 210
Mumbai Sales Office	: Godown No.1, Rajada Chawl No.2/4, Old Hanuman 2nd Cross Road, Kalbadevi, Mumbai - 400 002

Telephone No.	: 91-22- 42232323
Fax No.	: 91-22- 42232313
Website	: www.pelhakoba.com
E-mail Address	: mumbai@pelhakoba.com

CIN	: L17291MH1991PLC063752
Listing	: Bombay Stock Exchange and National Stock Exchange of India Ltd.
ISIN for Dematerialisation	: INE156C01018
Share Transfer Agent	: LINK INTIME INDIA PRIVATE LIMITED C-13, Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (West), Mumbai - 400 078



NOTICE

Notice is hereby given that the Twenty Second Annual General Meeting of the Shareholders of PIONEER EMBROIDERIES LIMITED will be held on Friday, the 18th July, 2014 at The Green Village Resorts Limited, Malvani Church, Opp. Akashwani Kendra, Marve Road, Malad West, Mumbai - 400 095 at 9.30 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and the Audited Statement of Profit and Loss Account for the year ended 31st March, 2014 and the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Raj Kumar Sekhani (DIN 00102843) who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint M/s. M BAH & CO (ICAI Regn. No.121426W), Chartered Accountants as Statutory Auditors and to fix their remuneration.

SPECIAL BUSINESS

4. To Consider and if, thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Joginder Kumar Baweja (DIN:01660198), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to March 31, 2019.”

5. To Consider and if, thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Gopalkrishnan Sivaraman (DIN:00457873), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to April 16, 2019.”

6. To Consider and if, thought fit, to pass with or without modification, the following resolution as a Special Resolution.

“RESOLVED THAT pursuant to the resolution passed by the Board of Directors at its meeting held on 23rd May, 2014 and pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, consent and approval of the Company be and is hereby accorded to increase the remuneration being paid or provided to Mr. Raj Kumar Sekhani (DIN:00102843) Chairman of the Company with effect from 1st July, 2014 to 29th August, 2015 to an amount not exceeding ₹ 7,00,000/- per month including perquisites and on the terms and conditions set out in draft Letter of appointment, a copy whereof initialed by Mr. Harsh Vardhan Bassi, Managing Director of the Company for the purpose of identification, has been placed before this Meeting.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary or increase the remuneration in the said draft Letter of appointment to the extent the Board of Directors may consider appropriate and as may be permitted or authorised in accordance with any provision under the Act for the time being in force provided, however, that the remuneration payable to Mr. Raj Kumar Sekhani shall be within the limits set out in the said Act including the said Schedule V to the Act or any amendments thereto or any modification(s) or statutory re-enactment(s) thereof and / or any rules or regulations framed there under.”

“RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the Company during the term of Mr. Raj Kumar Sekhani's office as Chairman, the remuneration set out in the aforesaid draft Letter of appointment be paid or granted to Mr. Raj Kumar Sekhani as minimum remuneration provided that the total remuneration by way of salary and other allowances shall not exceed the ceiling provided in Section II A of Part II of Schedule V to the said Act or such other amount as may be provided in the said Schedule V as may be amended from time to time or any equivalent statutory re-enactment(s) thereof.”

7. To Consider and if, thought fit, to pass with or without modification, the following resolution as a Special Resolution.

“RESOLVED THAT pursuant to the resolution passed by the Board of Directors at its meeting held on 13th November, 2013 and pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, consent and approval of the Company be and is hereby accorded to fix the remuneration being paid or provided to Mr. Harsh Vardhan Bassi (DIN:00102941) Executive Director of the Company with effect from 29th October, 2013 for a period of 3 years at a sum not exceeding ₹ 2,42,000/- per month including perquisites and on the terms and conditions set out in draft Letter of appointment, a copy whereof initialed by Mr. Raj Kumar Sekhani, Chairman of the Company, for the purpose of identification has been placed before this Meeting.”



“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary or increase the remuneration in the said draft Letter of appointment to the extent the Board of Directors may consider appropriate and as may be permitted or authorised in accordance with any provision under the Act for the time being in force provided, however, that the remuneration payable to Mr. Harsh Vardhan Bassi shall be within the limits set out in the said Act including the said Schedule V to the Act or any amendments thereto or any modification(s) or statutory reenactment(s) thereof and / or any rules or regulations framed thereunder.”

“RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the Company during the term of Mr. Harsh Vardhan Bassi's office as Executive Director, the remuneration set out in the aforesaid draft Letter of appointment be paid or granted to Mr. Harsh Vardhan Bassi as minimum remuneration provided that the total remuneration by way of salary and other allowances shall not exceed the ceiling provided in Section II A of Part II of Schedule V to the said Act or such other amount as may be provided in the said Schedule V as may be amended from time to time or any equivalent statutory re-enactment(s) thereof.”

8. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the substantial assets of the Company in certain events in favour of banks/ financial institutions, other investing agencies and trustees for the holders of debentures/bonds/other instruments to secure rupee/foreign currency loans and/or the issue of debentures whether partly/fully convertible or non-convertible and/or securities linked to Ordinary Shares/ 'A' Ordinary Shares and/or rupee/ foreign currency convertible bonds and/or bonds with share warrants attached (hereinafter collectively referred to as “Loans”) provided that the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premium on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans, shall not, at any time exceed ` 500 Crores or the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, whichever is higher.”

9. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee which the Board may constitute for this purpose), be and is hereby authorised, subject to requisite approvals, if any, as may be required from any of the concerned authorities to borrow money, from time to time, at its discretion either from the Company's bankers or any other bank, financial institution or any other lending institutions or persons (including Foreign Institutional Investors, Non Resident Individuals, Associations and Corporate Bodies) on such terms and conditions as may be considered suitable by the Board upto a limit not exceeding in the aggregate ` 500 Crores (Rupees Five Hundred Crores only) notwithstanding that the money to be borrowed together with the money's already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose and the Board of Directors be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as they may, in their absolute discretion, think fit.”

By order of the Board of Directors
For PIONEER EMBROIDERIES LIMITED

Place : Mumbai
Date : May 23, 2014

Harsh Vardhan Bassi
Managing Director

**NOTES**

1. A member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. The Proxy, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 wherever applicable is attached and forms part of this Notice.
4. Members are requested to affix their signature at the place provided on the Attendance Slip and hand over the slip at the entrance to the place of meeting for attending the Meeting.
5. Corporate Members intending to send their Authorised Representatives to attend the Meeting are requested to send a certified true copy of the Board Resolution authorizing their Representative to attend and vote at the Meeting on their behalf.
6. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are, therefore, requested to bring their copies of Annual Report to the Meeting.
7. The Register of Members and Share Transfer Register of the Company will remain closed from 15th July, 2014 to 18th July, 2014 (both days inclusive).
8. In terms of the Notification issued by Securities and Exchange Board of India (SEBI), the Equity Shares of the Company are compulsorily traded in Electronic mode. Shareholders are requested to avail this facility and get their shareholding converted into Dematerialised form by sending the Dematerialisation Request Form (DRF) alongwith the Share Certificates through their Depository Participant (DP) to the Company's Registrar & Transfer Agent.
9. Members wishing to claim Dividends of the previous years, which remain unclaimed, are requested to correspond with Mr. Uday Nemlekar Compliance Officer, at the Company's Registered Office. Members are requested to note that Dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per section 205C of the Companies Act, 1956, be transferred to the Investor Education and Protection Fund.
10. Dividend for the Financial year March 31, 2007 and thereafter, which remain unclaimed for a period of 7 years will be transferred by the Company to **Investor Education and Protection Fund (IEPF)**. Members who have not so far encashed Dividend Warrant(s) for the aforesaid years are requested to seek issue of Duplicate Warrants(s) by writing to the Company immediately. **Members are requested to note that NO CLAIMS shall lie against the Company or IEPF in respect of any amounts that were unclaimed and unpaid for a period of 7 years from the dates they first became due for payment and no payment shall be made in respect of any such claims.**
11. Members are requested to apply for consolidation of folios, in case their holdings are maintained in multiple folios.
12. Shareholders seeking any information with regard to the Accounts are requested to write to the Company at least ten days in advance so as to enable the Company to keep the information ready
13. The Ministry of Corporate Affairs (“MCA”), Government of India, through its Circular No.17/2011 dated 21st April, 2011 and Circular No.18/2011 dated 29th April, 2011 has allowed companies to send Annual Report comprising of Balance sheet, Profit & Loss Account, Directors' Report, Auditors' Report and Explanatory statement etc., through electronic mode to the registered e-mail address of the members. Keeping in view the underlying theme and circulars issued by MCA, we propose to send future communication in electronic mode to the e-mail address provided by you to the depositories and made available by them being the registered address. By opting to receive communications through electronic mode you have the benefit of receiving communications promptly and avoiding loss in postal transit.

Members who hold shares in physical form and desire to receive the documents in electronic mode are requested to provide their details (name, folio no, e-mail id) on the Company's e-mail address viz. mumbai@pelhakoba.com. Members who hold shares in electronic form are requested to get their details updated with the respective Depositories.
14. The members are requested to:
 - a) Intimate changes, if any, in their Registered address to the Registrar and Transfer Agents of the Company M/s. Link Intime India Private Limited at C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (West), Mumbai- 400078.
 - b) Quote Ledger Folio/Client Id/DP ID numbers in all their correspondence.

EXPLANATORY STATEMENT
(Pursuant to Section 102 of the Companies Act, 2013)

That following explanatory statement sets out the material facts referring to Item No. 4 to 9 of the Notice.

ITEM NO. 4

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Mr. Joginder Kumar Baweja as an Additional Director of the Company with effect from February 6, 2014.

In terms of the provisions of Section 161(1) of the Act, Mr. Joginder Kumar Baweja would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Joginder Kumar Baweja for the office of Director of the Company.

Mr. Joginder Kumar Baweja is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Section 149 of the Act inter alia stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from Mr. Joginder Kumar Baweja that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. Mr. Joginder Kumar Baweja possesses appropriate skills, experience and knowledge, inter alia, in the field of finance.

In the opinion of the Board, Mr. Joginder Kumar Baweja fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Mr. Joginder Kumar Baweja is independent of the management.

Brief resume of Mr. Joginder Kumar Baweja, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. Joginder Kumar Baweja is appointed as an Independent Director.

Copy of the draft letter for appointment of Mr. Joginder Kumar Baweja as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Save and except Mr. Joginder Kumar Baweja, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

ITEM NO. 5

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Mr. Gopalkrishnan Sivaraman as an Additional Director of the Company with effect from April 17, 2014.

In terms of the provisions of Section 161(1) of the Act, Mr. Gopalkrishnan Sivaraman would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Gopalkrishnan Sivaraman for the office of Director of the Company.

Mr. Gopalkrishnan Sivaraman is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Section 149 of the Act inter alia stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from Mr. Gopalkrishnan Sivaraman that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. Mr. Gopalkrishnan Sivaraman possesses appropriate skills, experience and knowledge, inter alia, in the field of finance.



In the opinion of the Board, Mr. Gopalkrishnan Sivaraman fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Mr. Gopalkrishnan Sivaraman is independent of the management.

Brief resume of Mr. Gopalkrishnan Sivaraman, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. Gopalkrishnan Sivaraman is appointed as an Independent Director.

Copy of the draft letter for appointment of Mr. Gopalkrishnan Sivaraman as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Save and except Mr. Gopalkrishnan Sivaraman, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

ITEM NO. 6

Mr. Raj Kumar Sekhani was re-appointed as Managing Director of the Company at the 20th Annual General Meeting held on 21st December, 2012 for a period of 3 years at a monthly remuneration of ` 4,00,000/- Mr. Raj Kumar Sekhani is a Promoter Director of the Company. He has very rich experience in industry and due to his untiring efforts the Company has made a remarkable progress. It was decided by the Board of Directors of the Company at its Meeting held on 23rd May, 2014 to increase the remuneration of Mr. Raj Kumar Sekhani with effect from 1st July, 2014 from ` 4,00,000/- per month to ` 7,00,000/- per month. All other terms and conditions of his appointment as Managing Director remain the same as approved vide the members resolution passed in the 20th Annual General Meeting held on 21st December, 2012.

The remuneration to be paid to Mr Sekhani is as per Section 196 and Section 197 read with Schedule V of the Companies Act, 2013.

The Explanatory Statement together with the accompanying Notice should be treated as an abstract of the terms of the Agreement of concern or interest under Section 190 of the Companies Act, 2013.

The Resolution at item no. 6 is recommended for approval of the Members in the best interests of the Company.

The proposed remuneration is within the limits as prescribed under Section II of part II of Schedule V of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr. Raj Kumar Sekhani may be considered to be interested in the passing of this resolution.

ITEM NO. 7

Mr. Harsh Vardhan Bassi was re-appointed as Executive Director of the Company at the Board Meeting held on 13th November, 2013 for a period of 3 years at a monthly remuneration of ` 2,42,000/- with effect from 29th October, 2013. Mr Harsh Vardhan Bassi, is Executive Director of the Company. He is having vast experience and his sustained efforts over last couple of years has helped the Company to come out from the lean period it has been facing in the recent past.

The detailed terms and conditions regarding remuneration to be paid to him are given below and are as per Section 196 and Section 197 read with Schedule V of the Companies Act, 2013.

1) Details of Salary to be paid is as follows: ` 2,42,000/- per month

Where in any financial year, the Company has no profit or its profits are inadequate, the Company will pay remuneration not exceeding the limits specified under Section II of Part II of Schedule V the Companies Act, 2013.

2) Other Conditions:

- i. For all other terms and conditions not specifically spelt out above, the Rules and Order of the Company shall apply.
- ii. The Executive Director shall hold office as such, subject to the provisions of Section 164 of the Companies Act, 2013.

The Explanatory Statement together with the accompanying Notice should be treated as an abstract of the terms of the Agreement of concern or interest under Section 190 of the Companies Act, 2013.

PIONEER EMBROIDERIES LIMITED

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The Resolution at item no. 7 is recommended for approval of the Members in the best interests of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr. Harsh Vardhan Bassi may be considered to be interested in the passing of this resolution.

ITEM NO. 8 & 9

As per the provisions of the Companies Act, 2013 a Company is required to pass resolutions under Section 180 of the Companies Act, 2013 to create charge on the assets of the Company and to borrow in excess of paid up capital and free reserves of the Company. The resolutions passed under the erstwhile provisions of Companies Act, 1956 are valid till 12th September, 2014. In view of the same the your Directors propose the resolutions under Section 180 (1) (a) and Section 180 (1) (c) of the Companies Act, 2013. It was felt necessary to authorize the Board of Directors to borrow further sums of money thereby raising the total borrowing limit to ` 500/- Crores (Rupees Five Hundred Crores Only).

The Resolution under Item Nos. 8 & 9 is to obtain the consent of the shareholders for this purpose.

None of the other Directors, Key Managerial Personnel or their relatives are concerned or interested in these resolutions.

By order of the Board of Directors
For PIONEER EMBROIDERIES LIMITED

Place : Mumbai
Date : May 23, 2014

Harsh Vardhan Bassi
Managing Director



DIRECTOR'S REPORT

To,
The Members,
PIONEER EMBROIDERIES LIMITED

Your Directors present the Twenty Second Annual Report of your Company on the business and operations for the year ended 31st March, 2014.

FINANCIAL HIGHLIGHTS:

	(` in lacs)	
	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Turnover - Domestic	23,205.18	22,379.37
- Export	4,116.65	1,669.32
Total	27,321.83	24,048.69
Profit /(Loss) before Other Income, Financial Charges, Depreciation, Exceptional Items & Tax	1,899.13	1,489.32
Other Income	838.60	683.68
Profit /(Loss) before Financial Charges, Depreciation, Exceptional Items & Tax	2,737.73	2,173.00
Financial Charges (net)	1,667.37	1,532.19
Profit /(Loss) before Depreciation, Exceptional Items and Tax	1,070.36	640.81
Depreciation	1,098.91	1,266.18
Profit/(Loss) before Exceptional Items & Tax	(28.55)	(625.37)
Exceptional Items (net)	663.30	861.80
Provision for Deferred Tax Liability/(Asset)	--	1,851.00
Net Profit/(Loss)	(691.85)	(3,338.18)
Balance of net loss brought forward from previous year	(4,070.49)	(732.31)
Balance of Profit/(Loss) carried forward	(4,762.34)	(4,070.49)
Per share data		
Basic Earnings per Share (`)	(3.91)	(25.41)
Book Value per Share (`)	59.99	37.50

YEAR IN RETROSPECT

Profit before Other Income, Finance Costs, Depreciation, Tax and Exceptional Items for the year stood at ` 1,899.13 lacs (` 1,489.32 lacs). The net loss has come down from ` 3,338.18 lacs in the previous year to ` 691.85 lacs during the year under report. The Company has generated a cash profit of ` 231.76 lacs during the year under report as against cash loss of ` 42.19 lacs during the previous year.

During the year under review, the Dope Dyed Polyester Yarn (DDPY) business reported increase in turnover and EBIDTA levels. The turnover has grown to ` 21,495 lacs (` 17,809 lacs), an increase of 21%. The operating margins have improved by over 200 basis points and EBIDTA for the year stood at ` 1,998 lacs (` 1,289 lacs), an increase of more than 55%. There has also been a growth of about 10% in capacity utilization in the DDPY plant during the year. The share of value added items in the turnover has increased from 59% in the previous year to 66% during the year under report. Relative stability in Rupee - Dollar parity and higher exports have also helped in improvement of performance.

The operations of Embroidery and Laces division, however, could not demonstrate a similar momentum, with turnover remaining at ` 5,290 lacs (` 5,385 lacs) and a reduction in EBIDTA to ` 430 lacs (` 660 lacs). The operations at Bobbin Lace Unit at Sarigam, post relocation from Karad, took time to stabilize, resulting in a loss of production. Production at other Embroideries units has also remained stagnant..

Your Company will continue its endeavors to achieve higher production, better operational efficiencies and higher profits to benefit all the stake holders. It will also include a sustained thrust on higher value addition and high margin products.

INDUSTRY OVERVIEW

The textile industry outlook for 2014 is expected to be stable. The growth is expected to be driven by improved revenue prospects from rebounding economic growth in key export destinations of USA, UK and Europe. New destinations viz. Brazil and Latin America are also expected to contribute to the resurgence. Stable input costs and continuing favourable government policies will also help prospects of the industry.